Message Text

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13-12

ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 COME-00 CIAE-00 INR-07

NSAE-00 SP-02 USIA-06 AID-05 NSC-05 CIEP-01 TRSE-00

SS-15 STR-04 OMB-01 CEA-01 /080 W

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R 141805Z SEP 76 FM AMEMBASSY PARIS TO SECSTATE WASHDC 4946 INFO AMEMBASSY BERN USMISSION EC BRUSSELS USDEL MTN GENEVA

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E.O. 11652: N/A TAGS: EIND, FR

SUBJECT: TWO MORE EXAMPLES OF "FRENCHIFICATION"

- 1. PILLSBURY MILLS AND BROWN BOVERI HAVE APPARENTLY JOINED RANKS OF FOREIGN COMPANIES IN FRANCE WHICH HAVE BEEN AFFECTED BY GOF POLICY OF EXPANDING FRENCH CONTROL OVER KEY DOMESTIC INDUSTRIES.
- 2. WE HAVE IT FROM TWO SOURCES (NEITHER AUTHORITATIVE) THAT PILLSBURY, WHICH HAD PLANNED TO SELL ITS FRENCH PLANTS TO CAMPBELL SOUPS, HAS BEEN REQUESTED BY GOF TO FIND FRENCH BUYER INSTEAD.
- 3. SIMULTANEOUSLY THERE ARE PRESS REPORTS THAT RECENTLY MERGED ALSTHOM-CHANTIER DE L'ATLANTIQUE (ACA) SHIPBUILDING AND HEAVY CONSTRUCTION COMPLEX HAS REACHED AGREEMENT WITH BROWN BOVERI OF SWITZERLAND TO ACQUIRE LATTER'S 33 PERCENT SHARE OF COMPAGNIE ELECTROMECANIQUE TURBINE PLANT AT LE BOURGET "IN ORDER TO SHIFT CONTROL TO FRENCH HANDS." WE HAVE NO POSITIVE EVIDENCE THAT THIS ACQUISITION LIMITED OFFICIAL USE

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WAS URGED BY GOF, BUT ACA PRESIDENT PIERRE LOYGUE IS

ALSO CHAIRMAN OF QUASI-PUBLIC BOARD WHICH SUPERVISES GOF EXPORT PROMOTION AGENCY CFCE AND IS THUS PART OF GOF POLICY APPARATUS.

4. WE ARE ATTEMPTING TO DEVELOP FURTHER INFORMATION ON BACKGROUND OF THESE REPORTS, WITH PARTICULAR REFERENCE TO DEPTH OF GOF INVOLVEMENT AND DEGREE OF PRESSURE, IF ANY, EXERTED ON FOREIGN OWNERS. IT WOULD BE HELPFUL IF USDOC AND BERN COULD ELICIT COMMENTS FROM PILLSBURY AND BROWN BOVERI RESPECTIVELY. KEY PILLSBURY OFFICIAL IS PRESUMABLY ALAN ELSTON, MANAGER FOR EUROPEAN OPERATIONS AT MINNEAPOLIS (PHONE 612-330-4966). RUSH

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Subject: TWO MORE EXAMPLES OF "FRENCHIFICATION" TAGS: EIND, FR, PILLSBURY MILLS, BROWN BOVERI To: STATE

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